



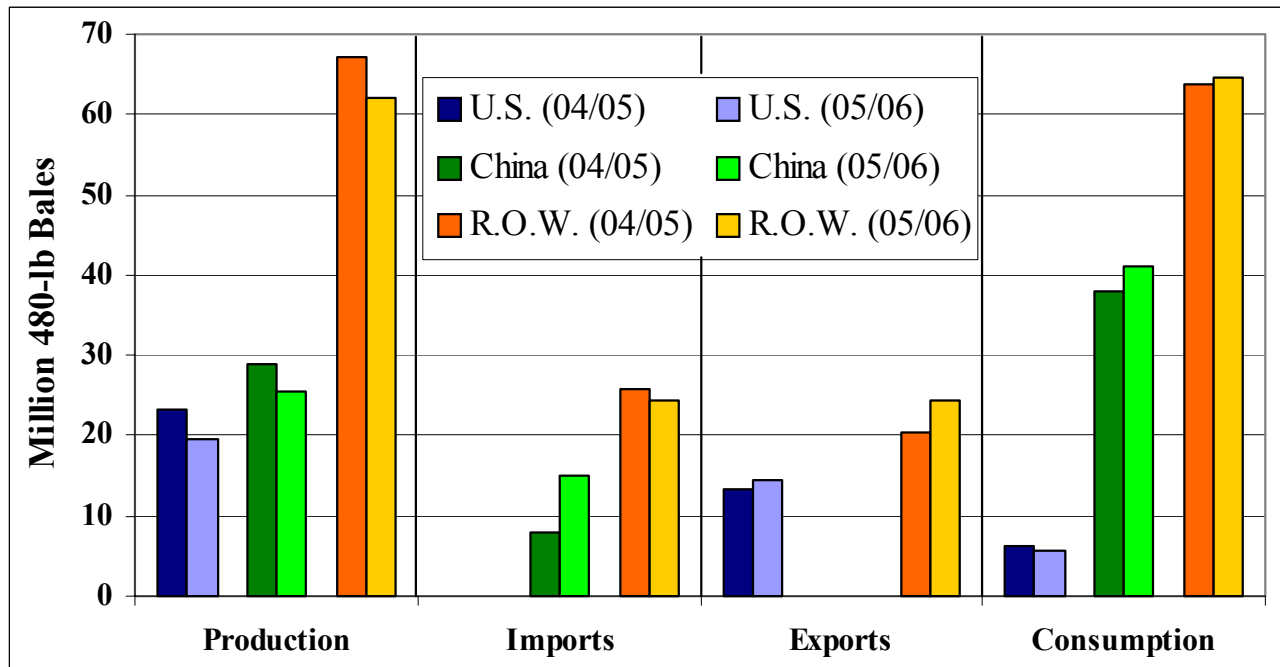
United States
Department of
Agriculture

Foreign
Agricultural
Service

Circular Series
FC-05-05
May 2005

Cotton: World Markets and Trade

World 2005/06 Imports Rise 16 Percent on China Demand



The initial forecast for the world 2005/06 marketing year shows production down, and consumption and trade up from 2004/05. As a result, 2005/06 ending stocks are forecast down 3.9 million bales.

World trade is expected to grow dramatically. World imports are forecast to reach 39.3 million bales, up 16.3 percent from 33.8 million in 2004/05. Falling production and rising consumption in China is expected to widen the supply gap to 15.5 million bales. Imports of 15.0 million bales will be needed to cover the gap and prevent stocks from tightening further. Outside of China, import demand will decline due to both limited consumption growth and tightening global stocks. World exports are forecast to reach 39.0 million bales, up 16.6 percent in 2004/05. Exports from nearly all major exporters will increase to fill China's import needs; U.S. exports are forecast at a record 14.5 million bales.

World production is forecast to decline 11 percent to 107 million bales with both area and yields down from the record levels in many countries in 2004/05. Production in the United States is forecast down 16 percent to 19.5 million bales, and down 12 percent in China to 25.5 million bales. Production in the rest of the world is forecast down 7.6 percent.

World consumption in 2005/06 is expected to increase by 3.3 percent (down from 9 percent growth in 2004/05) to another record of 111.5 million bales. Consumption in the U.S. will continue to decline to 5.8 million bales, down 8 percent. Consumption in China will continue to grow faster than the world average to 41.0 million bales, up 6.5 percent, and will represent 37 percent of total world consumption. Consumption in the rest of the world is expected to increase slightly (1.6 percent) to 64.7 million bales.